DEC STD 028-0 Phase Review Policy

DOCUMENT IDENTIFIER: A-DS-EL00028-00-0000 Rev C, 01-Nov-1990

ABSTRACT: This standard provides the foundation for an understanding of the Phase Review Policy and implementation of the Phase Review Process.

APPLICABILITY: This standard applies to the Life Cycle Management of all Digital products, including buyouts and external alternatives or technologies, that are selected to complement Digital's capabilities and support its strategies.

STATUS: APPROVED 01-Nov-1990; use VTX SMC for current status.

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REVISION HISTORY: Rev A, 03-Dec-1981

Rev B and B1 were used by Engineering Product Planning for Policy Communications but were not approved revisions.

Rev C 01-Nov-1990 ECO Number CTS01

Document Management Category:	Product Management Process Requirements (TPR)
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1 CORPORATE PHASE REVIEW POLICY

The Corporate Phase Review Process applies to the Life Cycle Management of all Digital products, processes, and services, including buyouts and external alternatives or technologies.

Life Cycle Management of Digital products is represented by the following phases.

Phase 0 - Strategy and Requirements
1 - Planning and Preliminary Design (Business Plan of Record)
2 - Implementation and Design
3 - Qualification
4 - Production, Sales, Service
4a- Ramp-Up
4b- Steady-State Operation
5 - Product Retirement
Service Retirement

This segmentation of the product life cycle provides:

- A method to facilitate management and peer reviews
- A common language and measurement criteria to effectively communicate and address cross-functional issues
- A means for management to approve the level of investment at defined major decision points

The Phase Review Policy is based on the following principles.

- Deliverables shall be defined in the voice of the customer.
- The Product Team has the responsibility to choose the most appropriate tools and methods for accomplishing their work.
- Successful products are the result of a cross-functional team effort. All members of a Product Team and their management have the responsibility for appropriate team member empowerment, skills, and training for effective team behavior.
- Product Teams are responsible for:
  - Communicating timely and accurate project information internally.
  - Providing timely and accurate product information for the Field and customers.
- Exceptions or changes in product content or schedule shall be communicated through established channels in a timely manner.

2 CORPORATE PHASE REVIEW PROCESS

The Phase Review Process, which supports the Phase Review Policy, provides a framework that enables the Product Team to develop and communicate mutual commitments to strategies and plans, and to execute those plans effectively.

Refer to Table 1 for an overview of Phase Review Process highlights.

2.1 OVERVIEW OF EACH PHASE

2.1.1 Phase 0: Strategy and Requirements

The objective of Phase 0 is to identify the market needs or the technology opportunity.

The Product Team answers the questions:

1. What are the customer/market needs and expectations, what is needed to meet the requirements of standards and regulations?
2. What will enhance Digital's profitability and competitive position?
3. What are the prospects for a solution?
4. Does the product, process, or service complement Digital's capabilities and support Digital's strategies?

Benchmarking [1] shall be used to demonstrate that the product, process, and service visions are targeted to be "Best in Class."

Limited Phase 0 funding is provided for proposals that are selected as prospective development activities.

2.1.2 Phase 1: Planning and Preliminary Design (Business Plan of Record)

The objective of Phase 1 is to develop plans to support the investment proposal with cross-functional commitment to defined strategies, deliverables, and schedules.

Phase 1 Exit approval is Digital's commitment to provide the funds and resources necessary to develop the proposal into a useful and affordable product, process, or service.

2.1.3 Phase 2: Implementation and Design

The objective of Phase 2 is to deliver on the commitments approved at Phase 1 Exit. Through the innovation process, the selected technology is integrated with new inventions to create a new or improved product, process, or service that satisfies the identified need or opportunity.

2.1.4 Phase 3: Qualification

The objective of Phase 3 is to demonstrate that all technical, administrative, legal, and business criteria have been satisfied to successfully launch the product.

[1] "Benchmarking is the continuous process of measuring products, services, and practices against the toughest competitors or those companies recognized as industry leaders." (David T. Kearns, CEO Xerox Corporation)

2.1.5 Phase 4: Production, Sales, and Service

The objective of Phase 4 is to achieve and maintain steady-state volume production, sales, and service, and to periodically evaluate the market performance of the product.

Phase 4 consists of two parts, each having distinct objectives:

Phase 4A Ramp-Up
Phase 4B Steady-State Operation

2.1.5.1 Phase 4A Ramp-Up

During Phase 4A, the focus of the Phase Review Process shifts from developing the product to attaining planned levels of production, sales, and service, as defined in the Business Plan.

2.1.5.2 Phase 4B Steady-State Operation

During Phase 4B, the product is manufactured, sold, and serviced in a manner that is satisfactory to Digital's customers and profitable to the corporation.

2.1.6 Phase 5: Product Retirement / Service Retirement

The objective of Phase 5 is to implement the Product Phase-Down Plan in a manner that minimizes Digital's inventory and investment exposure, maximizes the financial objectives of the Business Plan, and fulfills all of Digital's internal and external commitments.

The product's service life may continue beyond product retirement based on business decisions or contractual obligations. The product life cycle is complete when product service ends.

3 RESPONSIBILITIES

3.1 PRODUCT TEAM

The Product Team has the primary responsibility for:

- Effective cross-functional communication and planning in support of Digital's strategies.
- Successful implementation of plans on schedule and within budget.

Each member of the Product Team is responsible for supporting the strategies and goals set for the team and providing communication between the team members and resources within their function.

The Product Team may be composed of, but not limited to, representatives from the following functions: Product Management, Marketing, Engineering, Manufacturing, Sales, and Service.

3.1.1 Product Team Member Responsibilities

Product Management shall:

- Be the team leader.
- Lead the development of the product requirements.
- Serve as the primary source for accurate product information to Digital and to our customers.
- Create and implement a Business Plan that articulates how the product proposal supports the customer needs in a global market, Digital's strategies, the technology that will be used, and the financial impact of the investment over the life of the product.
- Provide accurate and timely information needed to support the:
  - Management decision process
  - Administrative process (pricing-reference data, product specifications /configurations, Sales and customer communications, and so forth)
  - Needs of impacted organizations throughout the corporation

Finance, in support of the Product Team, shall:

- Apply financial policy and discipline to the Business Plan and associated team activities throughout the life cycle of the product.

The Law Department, in support of the Product Team, shall:

- Ensure that the Business Plan is legally sound and in compliance with worldwide laws and regulations.
- Ensure that the product's intellectual property rights are properly protected and managed in support of the Business Plan.

Engineering shall:

- Develop or acquire product concepts that:
  - Integrate selected technologies with new inventions.
  - Provide flexibility in future implementation.
  - Create a competitive advantage.
  - Increase market share (due to product quality, cost, functionality).
  - Increase profitability.
- Develop and implement the plans necessary to deliver approved products, processes, or services that support Digital's strategies on schedule and within budget.

Manufacturing shall:

- Define the impact of product proposals on manufacturing technology, process, sourcing, human resources, space, costs, and international manufacturing requirements.
- Create and implement plans (both strategic and operational) that define the scope, direction, impact, investment, and required manufacturing commitments to ensure the success of the product.

Marketing shall:

- Identify the customer/market needs and technology opportunities.
- Develop a market strategy that identifies market programs and applications with corporate strategies.
- Develop plans to implement identified market programs that address, but are not limited to:

  Competitive Positioning
  Customer Messages
  Performance and Application Characterization
  Public Announcements
  Post-announcement Programs and Sales Support

Sales shall:

- Provide requirements and feedback to maximize the productivity of the Sales force. This shall include training, literature, demonstrations, and so forth.
- Provide requirements and feedback to make the product easier to sell and easier to integrate with other products.
- Develop and implement plans that address tactics for product launch, sales readiness, selling and distribution, suggested positioning, and impact on current products.

The Service organizations shall:

- Ensure integration of service strategies and service products with business unit strategies to optimize Digital's ability to meet customer support needs throughout the life of the product.
- Develop and implement plans to ensure that products can be supported by service organizations.
- Ensure service organization preparedness to support the product at announcement, during steady-state level, or at Phase-Down through availability of appropriate service tools such as diagnostics, documentation, training, and spare parts.

Table 1. Phase Review Process Highlights

Phase 0 Strategies and Requirements	Phase 1 Planning and Preliminary Design	Phase 2 Implementation and Design	Phase 3 Qualification	Phase 4A Production–Sales–Service (Ramp–Up)	Phase 4B (Steady–State)	Phase 5 Product Retirement Service Retirement
Customer/Market Requirements and Strategy	← Marketing Plan →					
	Marketing Programs, Volumes, Pricing	Introduction and Announcement Plan	Product Life–Cycle Strategy		Phase–Down Plan Input	Product Migration Implemented
Product Requirements	Phase 1 Business Plan (Plan of Record)	Phase 2 Business Plan (Updated)	Phase 3 Business Plan (Updated)	Phase 4 Business Plan (Updated)	Periodic Business Plan Update	Product Phase–Down Plan implemented
Phase 0 Business Plan (Preliminary)			Product Announcement/ First Revenue Ship (FRS) Criteria Completed		Phase–Down Plan Created/Approved	Ongoing Management of Phase–Down Plan
Preliminary Engineering Plan	←	Engineering Development Plan →		←	Support Engineering Plan →	
	Preliminary Design Functional Specification	Design Completed Design Specification	Qualification/ Verification Completed, Results Available	Transfer ECO Responsibility to Support Engineering	Phase–Down Plan Input	Support Engineering Phase–Down Completed
Selected Alternatives/Feasibility						
Manufacturing Impact/ Requirements	←	Manufacturing Plan →				
	Capital/Sourcing Process Development Vendor Quality	Operational Plans	First Shippable Product Available	Manufacturing Process Certification Completed	Phase–Down Plan Input	Manufacturing Phase–Down Completed
Sales Impact/ Requirements	←	Sales Plan →				
		Introduction Strategy/Plan	Product Introduction	Ongoing Sales	Phase–Down Plan Input	Sales Phase–Down Completed
Services Impact/ Requirements	←	Services Plan →				
		Implementation Tested	Service Delivery	Ongoing Service	Phase–Down Plan Input	Services Phase–Down Completed

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APPENDIX A RELATED DOCUMENTS

A.1 EL-Class Digital Documents

EL-Class Number	Document Title
EL-00028-01	*DEC STD 028-1 Corporate Product Phase Down Policy*
EL-00084-00	*DEC STD 084-0 Process and Technology Phase Review Procedure*
EL-00130-00	*DEC STD 130-0 Product Business Plan Requirements: Content Requirements and Format Guidelines*
EL-CP356-00	*Corporate Phase Review Process Guide*
EL-CPPAC-00	*Corporate Policies for Product Pricing, Announcement, and First Customer Ship*
EL-CS356-00	*Phase Review Process Management: A Services Perspective*
EL-EN540-00	*Product Phase Down Handbook for Product Managers*
EL-FS540-00	*Field Service Product Phase Down Procedures*
EL-MF356-00	*Manufacturing Systems Program Manager (MSPM) Guide*
EL-MF356-01	*Manufacturing Finance Phase Review Guidelines*
EL-MF356-05	*Manufacturing Order Administration Phase Review Process Guidelines*
EL-MF356-06	*Customer Satisfaction/Quality Phase Review Guidelines*
EL-MF356-07	*Phase Review Production Guidelines*
EL-MF356-08	*Materials Engineering Domain Phase Review Guidelines*
EL-MF540-00	*Manufacturing Product Phase Down Guidelines*
EL-SP540-00	*Administrative Guide to Software Product Retirement*

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